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DEPT FOR EUR/AGS AND EUR/OHI

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TAGS: [GM](#) [PGOV](#) [PREL](#)
SUBJECT: ENCOURAGING GERMANY TO MOVE FORWARD ON HOLOCAUST
ISSUES

Classified By: Policical M/C John Bauman for Reasons 1.4 (b) and (d)

11. (U) Summary: Special Envoy for Holocaust Issues J. Christian Kennedy met April 22 and 23 with German government officials to discuss three major Holocaust issues: "ghetto pensions," restructuring of the slave labor foundation's Board of Trustees, and stolen art restitution. In each of these areas, the German government could do more to meet its moral obligations to victims of the Holocaust. Embassy Berlin is contacting appropriate parts of the German government to encourage forward movement, particularly on the pensions and Foundation Board issues. End summary.

Progress Slow on Ghetto Pensions

12. (C) Kennedy met with the Finance Ministry's Kurt Bley, Director for War-related Compensation Issues, to discuss how to deal with the 90 percent of pension claimants (out of 70,000 total claimants) who have been rejected under Germany's 2002 law to provide pensions to certain workers in Nazi-era ghettos. Though the German government has acknowledged the need to do more, Jewish and survivor organizations see Germany's efforts as proceeding too slowly. The government appears to have rejected the idea of drafting new or amending the old legislation to accommodate the rejected claimants. The government's alternative approach, "administrative" solutions, has not yet begun in earnest and could take years to finalize -- beyond, perhaps, the lifetimes of remaining Holocaust survivors. The government is consulting the Jewish Claims Commission on how to proceed, but the two remain far apart.

Foundation Board: If it Ain't Broke...

13. (U) Kennedy met with Foreign Office representatives and leading parliamentarians on the issue of the German slave labor foundation (Remembrance, Responsibility, and Future Foundation), set up in 2000 to compensate Nazi-era slave laborers. The Foundation has been a major success, paying out Euros 5 billion to victims of the Holocaust. The Foundation's compensation andate is now completed, and it is now shifting ocus to the administration of a Future Fund mean to provide Holocaust and tolerance education. Inview of this shift, the German government, supported by the German business group which funds half of the Foundation's work, has proposed changing he Foundation's Board of Trustees by concentrating all substantive policy-making in an 8-person all-German Board, assisted by an international advisory board with 19 members.

14. (C) Kennedy raised his concern that the proposed changes

might, by eliminating the international presence in the decision-making board, mar the success of the Foundation and result in ill-will toward the Foundation and Germany. The U.S. has in the past indicated a willingness to accept some changes/reductions, but has maintained that the international nature of the Board was key for the U.S. Furthermore, these changes could divert the Foundation's focus from Holocaust issues to unrelated ones. Although the Future Fund will deal with contemporary issues, the U.S. view has been that they should be problems that stem from and/or afflict the peoples affected by the Holocaust. Georg Witschel, MFA Director General for Legal Affairs, asserted that, since the Foundation is fundamentally German, any change in governance is a matter to be decided upon by the German parliament, not by the international community. Kennedy countered that the U.S. has a role in deciding the future of the Foundation and opposed unilateral changes. Kennedy said that he would consult and get back to Witschel about reaction in the U.S. to the proposed restructuring of the foundation's governing body, adding that he thought the reaction might be quite negative.

15. (C) The government proposal is not without critics within Germany. Some key parliamentarians agree with the U.S. perspective. Volker Beck (Greens) said to Kennedy, "let's kill the proposal totally" and that there is "no need for change" in the governance structure. Gert Weisskirchen (SPD) -- also the OSCE Chairman in Office, s Personal Representative for Anti-Semitism -- agreed with Kennedy and offered to advise Foreign Minister Steinmeier to oppose the proposal, despite the fact that one of its leading architects, parliamentarian Dieter Wiefelspuetz, is a member of his party. Kennedy promised to be back in touch with U.S. reactions after consultation.

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Rightful Owners of Stolen Art Still Waiting

16. (C) Kennedy's specific purpose in coming to Germany was to speak at an April 23 Potsdam conference entitled "A Debate Without End? Stolen Art and Restitution in the German-speaking Realm." The conference indicated the deep frustration on the part of original owners and their heirs with the slow pace of restitution. Sources of frustration include the expiration of statutes of limitations and the lack of a set of German laws specifically relating to art restitution during this period. In his remarks to the conference, Kennedy pointed out that the Washington Conference Principles of 1998 have encouraged disputing parties to seek expeditious out-of-court settlements as an alternative to lengthy and often fruitless legal battles. Conference participants resolved to support a follow-on Washington Conference in order to further develop the Principles. German Holocaust Commissioner Benedikt Haller endorsed this proposal in a private meeting with Kennedy and suggested it could take place in Germany.

17. (C) Comment: Germany is moving too slowly on ghetto pensions, and its aims in changing the structure of the slave labor foundation are unclear. Nor has it acted expeditiously to resolve legal obstacles to the just restitution of Nazi-era looted art. Embassy Berlin has begun to engage contacts within the German government, encouraging them to move forward on these issues. Poloff raised our concerns with Guido Beermann (protect), Chief of Staff to Acting State Secretary Beus of the Federal Chancellery, who acknowledged

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that the Chancellery pays relatively little attention to such issues. He did, however, promise to look further into the ghetto pensions and Foundation Board issues, but added that significant Chancellery intervention in the Foundation Board matter, an issue led by an SPD Foreign Minister, could be viewed as a breach of the Coalition Agreement. We will

coordinate closely with EUR/OHI on specific approaches to be made. End comment.
TIMKEN JR